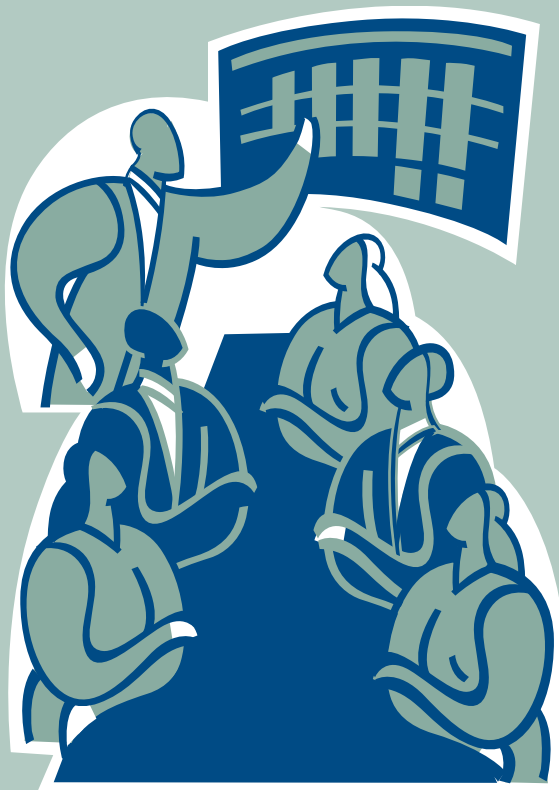


# Michigan District Office



Annual Report  
FY 2002

**SBA**

# Table of Contents

Recognition & Awards .....	4
Government Contracting .....	5
Counseling & Training .....	6
Business Information Centers .....	6
Michigan Small Business Development Centers (SBDC) .....	6
Service Corps of Retired Executives (SCORE) .....	6
U.S. Export Assistance Centers .....	6
Women Business Centers .....	7
Marketing & Outreach .....	7
Special Programs .....	7
Marketing & Outreach .....	7
Financial Assistance .....	8
FY 2002 Loan Activity: .....	11
7(a) Loan Activity by Lender .....	11
504 Loan Activity by Certified Development Company .....	11
Loan Activity by City .....	12
Loan Activity by County .....	13
Michigan District Office Services .....	14
Michigan District Office Staff .....	15

## How to Contact Us & Our Partners

**SBA - Michigan District** ..... <http://www.sba.gov/mi>  
 Detroit ..... (313) 226-6075  
*(see page 15 for additional numbers)*

### Business Information Centers

Flint ..... (810) 767-6431  
 Grand Rapids ..... (616) 771-6880

### Michigan Small Business Development Centers

..... <http://www.mi-sbdc.org>  
 Alpena ..... (989) 358-7383  
 Detroit ..... (313) 989-0020  
 Escanaba ..... (906) 786-9634  
 Flint ..... (810) 767-6494  
 Grand Rapids ..... (616) 331-7370  
 Harrison ..... (989) 802-0993  
 Kalamazoo ..... (269) 337-7350  
 Lansing ..... (517) 483-1921  
 Mt. Clemens ..... (810) 469-5118  
 Saginaw ..... (989) 686-9596  
 Traverse City ..... (231) 922-3780  
 Ypsilanti ..... (734) 547-9170

### Microlenders

Ann Arbor ..... (734) 677-1400  
 Flint ..... (810) 239-5847  
 Grand Rapids ..... (616) 771-6880  
 Marquette ..... (906) 226-1662  
 Traverse City ..... (231) 941-5858  
 Saginaw ..... (989) 759-1395

### Service Corps of Retired Executives (SCORE)

..... <http://www.scoremichigan.org>  
 Ann Arbor ..... (734) 665-4433  
 Cadillac ..... (231) 775-9776  
 Detroit ..... (313) 226-7947  
 Grand Rapids ..... (616) 771-0305  
 Kalamazoo ..... (269) 381-5382  
 Muskegon ..... (231) 722-3751  
 Petoskey ..... (231) 347-4150  
 Sault Ste. Marie ..... (906) 632-3301  
 Traverse City ..... (231) 947-5075

### U.S. Export Assistance Centers

..... <http://www.exportmichigan.org>  
 Detroit ..... (313) 226-3650  
 Grand Rapids ..... (616) 458-3564  
 Pontiac ..... (248) 975-9600  
 Ypsilanti ..... (734) 487-0259

### Women Business Centers

..... <http://www.onlinewbc.gov>  
 Ann Arbor ..... (734) 677-1400  
 Detroit ..... (313) 961-8426  
 Grand Rapids ..... (616) 458-3404

### Michigan Technical Assistance Centers

..... <http://www.michigantac.org>  
 Lansing ..... (517) 241-2471

# Message from the Director



Dear Small Business Supporter,

As the first anniversary of September 11<sup>th</sup> passes, I have been inspired by the strength and determination that Michigan small business owners have shown during the past year. To help our nation's small businesses respond to this tragedy, SBA expanded its Economic Injury Disaster Loan program to aid

small businesses that had suffered substantial economic injury. All across America, SBA was there to offer assistance to small businesses during this difficult time. In Michigan alone, SBA approved 79 loans totaling more than \$8.5 million to small businesses that had been impacted by this disaster.

In our regular business loan program, Michigan had one of its best years ever in FY 2002, as we guaranteed 1,071 loans worth more than \$351.1 million. This was an increase of \$111.8 million over the previous year and set a record for SBA lending in dollars. The number of loans increased in almost all emerging market categories, with the number to minority groups increasing by 68%.

This upward trend reflects the expansion of our marketing and outreach efforts during FY 2002. I look forward to increasing these numbers even further during FY 2003 as we continue to emphasize the delivery of our loan programs to the emerging markets, which now include rural areas.

This year the agency completed the development of a new Web site, *BusinessLaw.gov*, that is designed to help small businesses find, understand, and comply with federal, state, and local laws and regulations. This site is an invaluable tool to help entrepreneurs with their business operations. Now Michigan business owners can go to one location to find the latest information on the laws and regulations that impact their business.

The Michigan Small Business Development Center continued to demonstrate an outstanding commitment to Michigan's small business community by creating an impressive array of new resources. With the assistance of the twelve regional center hosts and other local partners, the SBDC created nine new Business

Resource Centers to serve the entire state and expanded its technology initiative to provide additional resources for this unique business sector. I would like to express a special thanks to David Mielke, Dean of the Seidman School of Business at Grand Valley State University, and Carol Lopucki, State Director of the SBDC, for providing the vision, support, and drive that has made the Michigan SBDC such a unique and valuable resource for small business.

The Service Corps of Retired Executives opened additional locations during the last year to help meet the expanding needs for business counseling throughout the state. SCORE has also seen an increase in their e-mail counseling through its "virtual" SCORE chapter on the Internet. This is a wonderful new vehicle for SCORE counselors to use to help those small business owners who might find it difficult to reach a counselor otherwise.

As this annual report goes to press, Michigan's District Director, Eugene Cornelius, Jr., is on assignment in Washington D.C. as the Acting Assistant Administrator for Administration. He has been at SBA's Headquarters Office since early June. In addition, Gene is one of a select group who was chosen to participate in the SBA's Senior Executive Service candidate program. All of us in the district want to congratulate him on this honor.

In closing, I want to thank all of our resource partners for a terrific year, including the Michigan Small Business Development Center, the Service Corps of Retired Executives, the Women Business Centers, and all of our lenders for their continued assistance to the small business community. Because of their support, SBA had one of its best years serving our customers. I look forward to strengthening even further the bonds that we have with our partners and increasing our services to the small business community.

Sincerely,

*Richard Temkin*  
Acting District Director

# Recognition & Awards

## Small Business Week Awards

Small Business Week is a time to celebrate the contribution small business owners make to our economic well-being and overall quality of life. Small businesses (firms with fewer than 500 employees) employ 51% of the private nonfarm work force, produce 51% of private sector output, and represent more than 99% of all employers.

In 2002, National Small Business Week was May 5-11. During an awards breakfast in Holland, the Michigan District Office presented its Michigan Small Business Person of the Year award, advocacy awards, and other special awards:

### Small Business Person of the Year

Daniel Driesenga  
Driesenga & Associates, Inc., Holland

### Midwest Region Small Business Journalist

William Lowry  
MiBizWest, Muskegon

### Entrepreneurial Success

Jim and Chris MacInnes  
Crystal Mountain Resort, Thompsonville

### Minority Business Advocate

Rebecca Beard  
Lansing Community College, Lansing

### Women In Business Advocate

Kaylee Marcum  
SIGN\*A\*RAMA, Brighton

### Financial Services Advocate

Michael Dengate  
National City, Royal Oak

### Accountant Advocate

Gary Hessenaur  
Hessenaur & Associates CPA, PC, Ann Arbor

## Minority Small Business Award

During National Minority Enterprise Development Week, SBA recognizes the Minority Small Business of the year. This year's recipient of the Michigan award was Joe McCoy of M.C.M. Marine, Sault Ste. Marie.

## Lender Awards

One of the highlights of our annual Michigan Lenders' Conference are the awards we present to lenders based on their performance in the SBA loan guaranty program in Michigan during the prior fiscal year. These are the awards presented during FY 2002:

### Lender of the Year

National City

### New Markets Lender of the Year

Bank One

### Most Active Lender of the Year

National City

### 504 Lender of the Year

Bank One

### Business Development Lender of the Year

Unizan Bank

### Community Lender of the Year

Capitol Bancorp, LTD

## Michigan Small Business Success

Each year, we also recognize Michigan small businesses that have received SBA assistance. Each one tells a different story, but all demonstrate the success a small business can achieve with SBA's help. In FY 2002, these companies received this recognition:

**Herrietta Fahrenheit** - Ypsilanti

**How About Lunch?** - Birmingham

**Jedco Inc.** - Grand Rapids

**Orbis Management Group** - Clinton Twp.

**SageStone, Inc.** - Grand Rapids

**The Simpson Group, Inc.** - Canton

## Tibbetts Award

SBA recognizes outstanding individuals or companies involved with the agency's technology-based Small Business Innovation Research program by presenting the National Tibbetts Award. This year, Sordal Incorporated, of Holland, and American Commodities, Inc., of Flint were the Michigan companies which received this honor.

# Government Contracting

The U.S. Government is the largest purchaser of goods and services in the world. To help small businesses receive their fair share of contracts, SBA negotiates goals annually with each federal agency. Currently, the overall small business goal is 23%. This includes specific goals of 5% to women-owned businesses, 5% to small disadvantaged businesses, 3% to service disabled veteran-owned businesses, and 3% to HUBZone small businesses.

Under the Small Business Act, federal agencies announce a variety of procurements that are reserved exclusively for small business participation. These transactions are called “small business set-asides” and include the 8(a), HUBZone, and Very Small Business Programs.

## **PRO-Net**

PRO-Net is an Internet-based database of information on more than 195,000 small, disadvantaged, 8(a), and women-owned businesses. It provides a way for federal and state government agencies and other contractors to identify small businesses, and it has links to contracting Web sites. PRO-Net is also linked to FedBizOps.gov, many federal agency home pages, and other sources of procurement information. Visit PRO-Net at <http://pro-net.sba.gov>.

## **8(a) Program**

The 8(a) program is a business development program for small businesses that are owned, managed, and controlled by individuals who are socially and economically disadvantaged, and have the capacity and capability to sell products and services directly to the federal government.

As of September 30, there were 109 Michigan firms in the 8(a) program, an 8% increase since last year. The breakdown of the portfolio by race/ethnicity is as follows: African American - 72 firms; Asian Indian - 11 firms; Hispanic - 15 firms; Native American - 4 firms; Asian - 4 firms; and Caucasian - 3 firms. There are 42 8(a) firms in the professional services industry, 30 in construction, 7 manufacturers, 13 service and 17 wholesale/retail.

## **Small Disadvantaged Business Certification**

Since 1998, Small Disadvantaged Businesses (SDB) need to be certified to receive certain procurement preferences in doing business with the federal government and prime contractors. The SDB preferences apply to

many federal procurements in select industries in which SDBs are underutilized. There are 141 SDB firms in Michigan.

Information on the 8(a) and SDB programs is provided by SBA at a 9:00 a.m. orientation session on the first Wednesday of each month at the McNamara Federal Building in Detroit. Please call (313) 226-6075 x253 for more information.

## **HUBZones**

HUBZones (Historically Underutilized Business Zones) provide contracting preferences to small businesses that are located in a HUBZone and hire employees who live in a HUBZone. HUBZone businesses have the opportunity to negotiate sole source contracts, participate in restricted competition with other HUBZone firms, and are allowed a 10% price evaluation preference in full and open competition. There are 208 HUBZone certified businesses in Michigan, a 64% increase over last year.

## **Very Small Business Program**

The Very Small Business (VSB) program is a pilot program designed to increase opportunities for small businesses with 15 or fewer employees and less than \$1 million in sales. Procurement requirements estimated to be between \$2,500 and \$50,000 must be reserved for eligible VSB concerns.

## **Other Programs**

Other contracting programs also provide valuable services to small businesses, including verification of a small business's competency to complete a job when it has lost its bid to a larger company; subcontracting assistance; and breakout procurement assistance. For more information, please call Pamela Thompson, Government Contracting Specialist, at (586) 574-5513.

## **Michigan Technical Assistance Centers (PTACs)**

PTACs are a state-run program to help small business owners locate procurement opportunities. With 14 locations statewide, PTACs use skilled professionals to assist businesses in acquiring state and federal government contracts. Although not an SBA sponsored resource, many PTACs are co-located with such SBA resource partners as SBDCs. To locate a PTAC near you, please call (517) 241-2471 or visit their Web page at <http://www.michigantac.org>.



# Counseling & Training

SBA provides a broad range of counseling and training opportunities through partnerships with many state and local organizations across Michigan. Beginning in 1964 with the Service Corps of Retired Executives, SBA resources have expanded to include Small Business Development Centers, Women Business Centers, Export Assistance Centers, and Business Information Centers. In FY 2002, our partners reported over 30,000 counseling cases, training attendees, and BIC clients. Contact numbers for the following are listed on page 2.

## **PARTNERS**

### **Business Information Centers**

There is a BIC in Flint and Grand Rapids. Each one operates like a small business library, enabling clients to conduct market research, write business plans and even create a business logo. Resources include books, videos, and computers with small business software and Internet access. Approximately 1,980 clients used BIC resources in FY 2002.

### **Michigan Small Business Development Centers**

Under the leadership of our state host, Grand Valley State University, the Michigan SBDC had another outstanding year as its client counseling and training programs continued to serve the wide ranging needs of Michigan's small business owners. More than 7,380 clients were provided over 66,000 hours of consulting assistance, and another 6,327 people participated in 584 training sessions/business education workshops. The SBDC also completed 966 market research projects for individual businesses.

The SBDC provided this assistance through 12 regional centers and many other local partners. In FY 2002, the University of Michigan/Flint, NW Michigan Council of Governments, and Delta Community College were recruited to become new regional hosts, providing even stronger delivery of services this year.

The SBDC created nine Business Resource Centers that were modeled after SBA's Business Information Centers to provide greater access throughout the state to this valuable resource. These centers offer the latest in high-tech hardware and business software as well as a wealth of print material to assist current and prospective business owners in such areas as writing business plans, conducting market research, and designing brochures.

The SBDC's technology initiative was greatly enhanced by its selection as one of the first recipients of the

Federal and State Technology grants from SBA, with matching funding from the Michigan Economic Development Corporation. The SBDC now has four Technology Business Consultants available to provide in-depth assistance to appropriate clients throughout Michigan. The SBDC also worked in partnership with eMichigan to pilot online state services for small businesses to register companies through the Internet.

Expanding on the successful launch of a new Web site last year ([www.mi-sbdc.org](http://www.mi-sbdc.org)), the SBDC added sites for each of its regions to help showcase local programs and resources. To date the SBDC Web site has logged impressive numbers: 1,413,435 total successful requests; 29,464 distinct hosts served; and 47,618 successful downloads. The SBDC also developed two new sites: technology initiatives and services in Spanish.

### **Service Corps of Retired Executives**

Michigan is served by nine SCORE Chapters with more than forty locations, hosted primarily by local chambers of commerce. In FY 2002, SCORE's 350 Michigan counselors provided counseling and training to more than 5,800 clients. Michigan SCORE is also a national leader in email counseling cases, experiencing a 50% increase over FY 2001. The highlights of SCORE activity for FY 2002 are summarized below.

The Detroit SCORE Chapter is Michigan's largest, with 23 counseling locations in southeast Michigan. This chapter upgraded its Web site ([www.score-mi-detroit.org](http://www.score-mi-detroit.org)) to make it more user-friendly, providing complete details about SCORE locations and workshops. For its outstanding performance in FY 2001, the Traverse City SCORE Chapter was recognized as the Michigan SCORE Chapter of the Year.

The Delta County SCORE branch focused on assisting existing businesses. One of its clients was named the Delta Chamber of Commerce 2002 Business of the Year and credited SCORE as a great contributor to its success.

The Ann Arbor Chapter opened new branches at Hartland, Holly, Fenton, and Belleville. Ann Arbor ranks first in the country in e-mail counseling sessions per on-line counselor, and it set new chapter records for both traditional and e-mail counseling. The Kalamazoo Chapter also had an outstanding year with a 21% increase in counseling clients and 99% increase in e-

# Counseling & Training

mail counseling clients. There was also a 103% increase in workshop attendance, as the chapter offered several new topics. Its Holland Branch, working with the SBDC, conducted a very successful Pre Business Workshop that was presented in Spanish – a first for the state.

The Grand Rapids SCORE Chapter increased its membership by 42% and added three additional counseling sites in Kent County. The number of clients served by this chapter established a new record, aided by the five monthly workshops it now holds at the BIC in partnership with the BIC, SBDC, and GROW. The Muskegon Chapter experienced a 64% increase in counseling activity in FY 2002 and opened a branch location in Grand Haven.

## U.S. Export Assistance Centers

This “one-stop” source for small business export information and assistance is a partnership of SBA, U.S. Department of Commerce, and the Export-Import Bank. These centers provide counseling, training, market research, and trade finance assistance. During FY 2002, Michigan’s four EACs counseled and trained 827 clients resulting in \$10.9 million in export loans.

## Women Business Centers

The SBA funds three Women Business Centers in Michigan: The Detroit Entrepreneurship Institute; the Center for Empowerment and the Economic Development in Ann Arbor; and Grand Rapids Opportunities for Women. These centers provide counseling, training, mentoring and other services to women business owners. In FY 2002 over 8,073 clients received counseling and training from these centers, a remarkable 127% increase over the prior year.

## SPECIAL PROGRAMS

SBA conducted many special programs during FY 2002. These included our Annual Lenders’ Conference, Small Business Loan workshops, TEAM SBA, 8(a)/Small Disadvantaged Business Certification workshops, HUBZone Contracting workshops, Doing Business with the Government seminars, Business Opportunity Forums, and Basics of Exporting workshops. Highlights from our major programs include:

**SBA’s 4th Annual Lenders’ Conference** was held in March in Lansing with over 150 lenders participating. This conference was followed-up by eight loan officer seminars conducted throughout Michigan.

**TEAM SBA** is a roundtable-type session to help entrepreneurs understand the commercial loan process. Attendees meet with small business banking officers, SBA loan officers and consultants from the SBDC to discuss their financing needs and to learn how loan applications are analyzed, the impact of personal credit, and the “5C’s of Credit.” A total of 38 roundtables with 228 participants were held throughout Michigan in FY 2002.

**The Women’s Business Advisory Team (BAT)** is comprised of experts, including bankers, attorneys, accountants, marketing and insurance specialists, and small business consultants who have agreed to offer initial services to women business owners at no charge. Service providers may offer various discounts, special rates or consultation as part of their participation in the BAT.

**Small Business Tours** were conducted in Detroit, Grand Rapids, and Traverse City. Sponsored by the SBA, National City, the SBDC, and over 40 public and private sector organizations, the tours are designed to bring participating economic development organizations directly to small business owners at their business location. Over 112 businesses participated in the three tours that were conducted in FY 2002.

## MARKETING AND OUTREACH

Highlights of the Michigan District Office marketing efforts in FY 2002 included:

**Presentations:** SBA staff made over 100 presentations throughout Michigan on all aspects of SBA programs and small business related subjects to better inform and educate our customers.

**Publications:** Michigan District Office SBA publications include the Annual Report, 8(a) Newsletter, *Bank Notes* Newsletter, *Small Business Beat* Newsletter, and *Michigan Small Business Sourcebook*. Over 18,000 copies of the *Sourcebook* were distributed in FY 2002.

**Media:** In addition to writing by-line articles and distributing press releases to Michigan’s print, radio, and television media, we participated in numerous interviews discussing SBA’s programs and services and general small business issues. This outreach enabled us to educate thousands of business owners state-wide.

# Financial Assistance

In FY 2002, the Michigan District Office guaranteed 1,071 7(a) and 504 loans worth over \$351 million. This was an increase of 259 loans and \$111.8 million from FY 2001. The average loan size was \$327,848 versus \$294,335 last year.

SBA's loan programs benefit the entire state. Small businesses in 314 cities within 70 of Michigan's 83 counties received an SBA guaranty loan. Lists of loan activity by city and county are on pages 12 and 13 respectively. While virtually all commercial banks are eligible to make SBA guaranteed loans, lenders which participated in at least one 7(a) loan during FY 2002 are listed on page 11.

## 7(a) Program

Under section 7(a) of the Small Business Act, the SBA may guarantee loans to small businesses when financing is unavailable on reasonable terms through normal lending channels. This program may be used by either start-ups or growing businesses to purchase fixed assets, provide working capital, and refinance debt.

SBA loans are guaranteed up to 85% on loans up to \$150,000 and 75% on loans greater than \$150,000. The maximum guaranty is \$1 million and the maximum loan size is \$2 million. At the start of FY 2002, the guarantee fees for all 7(a) loans were reduced as follows: When the total loan amount is not more than \$150,000, the guarantee fee is 1% of the guaranteed portion. For a total loan amount that is between \$150,000 and \$700,000, the fee is 2.5%. For a loan that is greater than \$700,000, the fee is 3.5%. In addition, the annual on-going servicing fee for all 7(a) loans approved during the two year period beginning October 1, 2002, was reduced to 0.25% of the outstanding balance of the guaranteed portion of the loan.

Over the years, SBA has created additional programs under the 7(a) umbrella to meet the needs of the small business community. These include the *SBALowDoc*, Preferred Lender, and *SBAExpress* programs.

*SBALowDoc* allows the lender to submit a one-page application to SBA for loans of \$150,000 or less. The application is usually faxed in and processed within 36 hours. In FY 2002, 239 *SBALowDoc* loans for a total of \$23.3 million were approved.

The Preferred (PLP) lender program was developed to expedite the lending process for commercial lenders which have extensive experience with SBA lending. PLP

lenders enjoy full delegation of authority and can decide unilaterally on SBA participation for eligible business loans. In FY 2002, Michigan PLP lenders approved 321 loans worth more than \$158.5 million.

*SBAExpress* expedites the lending process by enabling lenders to use their own documentation and procedures to approve and service loans. The SBA may guaranty up to 50% of *SBAExpress* loans. In FY 2002, we guaranteed 204 of these loans, an increase of 48% over FY 2001.

In July, the Agency enhanced *SBAExpress* to make it a more appealing loan product for borrowers and lenders. Major revisions include offering the program to lenders not formerly participating with SBA, increasing the maximum loan amount to \$250,000, and allowing lenders to charge up to 6.5 % over the prime rate for loans of \$50,000 or less and up to 4.5% over the prime rate for loans over \$50,000.

Lenders participating in the PLP and Express programs are listed on page 10.

## 504 Program

The 504 program uses Certified Development Companies (CDCs) to provide long-term, fixed-rate financing to growing small businesses to acquire fixed assets. CDCs are public-private organizations, usually community based, created to foster economic development within a particular region. Michigan CDCs are listed on page 10.

SBA loans approved under the 504 program must create or retain jobs. Typically, 50% of the financing comes from the bank (secured with a senior lien), 40% from an SBA guaranteed debenture (up to a maximum \$1,000,000), and 10% from the small business. As shown on page 11, in FY 2002 the Michigan District Office approved 96 504 loans for almost \$43 million. These loans are expected to create 1,461 new jobs.

## Portfolio Management

Almost all servicing actions on fully disbursed 7(a) or 504 loans are handled by the Fresno Commercial Loan Service Center (CLSC). However, delinquent loans (60 days past due) are returned to the Portfolio Management Division in our office where we concentrate on problem resolution and collection from collateral and/or personal guaranties. SBA maintains a one-person office in Marquette to handle portfolio management for the Upper Peninsula and northern Lower Peninsula.



# Financial Assistance

As of September 30, there were 4,112 SBA business loans in Michigan with an outstanding balance of more than \$786 million and a currency rate of 88.8%. The CLSC services 3,261 of these loans; 851 are serviced by this office. This compares to 3,951 loans for \$720 million one year ago. This office continued to participate in the government-wide initiative to sell federal loan assets to the private sector, as about 55 loans from our portfolio were sold in FY 2002.

## Other Financial Assistance Programs

The SBA funds several intermediaries in Michigan to deliver both microloans and venture capital to small businesses. Available on a limited basis, the Microloan program provides loans up to \$35,000 for the purchase of machinery and equipment, furniture and fixtures, inventory, supplies, and working capital. In FY 2002, Michigan's six SBA microlenders approved 38 loans.

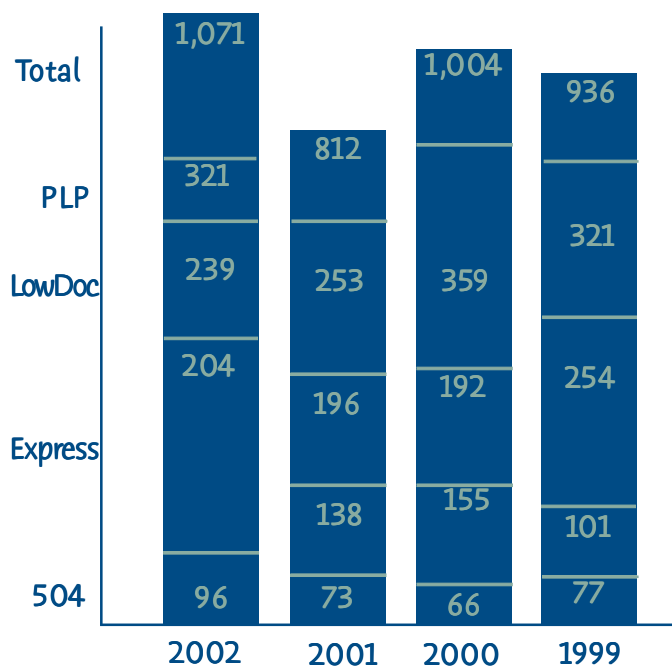
The SBA also offers financing through its Small Business Investment Companies and Specialized Small Business Investment Companies. SBICs supply equity capital, long-term loans, and management assistance to qualified businesses owners. SSBICs offer the same assistance to small businesses owned by socially and economically disadvantaged entrepreneurs.

Through its Surety Bond Program, the SBA may also guaranty bid, performance, and payment bonds for contracts up to \$2.0 million for small contractors which cannot obtain surety bonds through regular commercial channels. SBA works with surety companies across Michigan. In FY 2002, 83 bid bond guaranties and 30 final performance and payment bonds worth \$34.8 million were written.

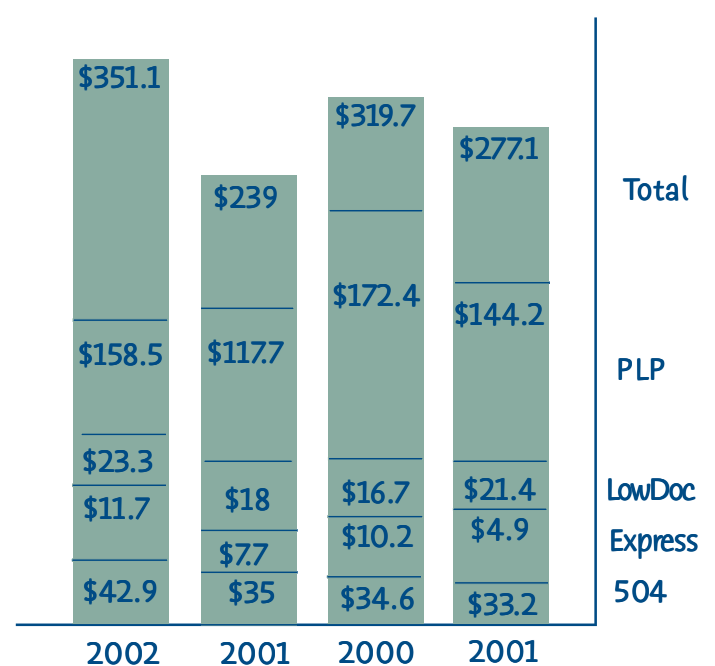
SBA is the primary source of federal funds for long-term disaster recovery assistance. Low interest loans are available to homeowners, renters, and business owners in federally declared disaster areas to replace or repair business facilities, inventory, machinery, equipment, etc. not covered by insurance. Economic injury disaster loans (EIDL) are also available to provide working capital to small businesses that suffered economically due to the impact of a disaster on their business.

In October 2001, the SBA expanded the EIDL program as a result of the tragic events of September 11th. This action authorized EIDL assistance across the country for eligible small businesses that had suffered substantial economic injury as a direct result of the attacks. Under the expanded EIDL program, 79 loans for \$8.5 million were approved for Michigan small businesses.

Total Number of Loans  
FY 1999-2002



Total Dollar Value of Loans  
FY 1999-2002 (in millions)



# Financial Assistance

In February 2002, SBA authorized the Supplemental Terrorist Activity Relief (STAR) program to provide greater access to financial assistance for those businesses affected by the disaster. Under the STAR program, 94 loans worth more than \$45.9 million were approved for small businesses in Michigan.

## PREFERRED LENDERS

Bank One  
Business Lenders  
Business Loan Center  
Citizens Bank  
CIT Small Business Lending  
Comerica Bank  
Fifth Third Bank  
First Union Small Business Capital  
GE Capital Small Business Finance  
Irwin Union Bank  
KeyBank  
National City  
Republic Bank  
Standard Federal  
Sunrise Bank of Arizona (*accessed through Capitol Bancorp affiliates*)  
United Bank of Michigan  
U.S. Bank  
Unizan Bank  
Wells Fargo Bank  
Wisconsin Community Bank

## EXPRESS LENDERS

Bank One  
Central State Bank (Beulah)  
Chemical Bank and Trust Company (Midland)  
Citizens Bank  
Citizens National Bank of Cheboygan  
Commerical Bank (Alma)  
Fifth Third Bank  
Honor State Bank  
Huntington National Bank  
Innovative Bank  
Irwin Union Bank  
KeyBank  
National City  
Republic Bank  
Sky Bank - Mid Am Region  
Standard Federal Bank  
United Bank of Michigan  
Unizan Bank  
U.S. Bank  
Wells Fargo Bank

## CERTIFIED DEVELOPMENT COMPANIES

### Economic Development Foundation-Certified

P (616) 459-4825

Service Area: Antrim, Barry, Benzie, Charlevoix, Emmet, Grand Traverse, Kalkaska, Kent, Leelanau, Manistee, Mason, Missaukee, Muskegon, Oceana, and Wexford Counties.

### Growth Finance Corporation

P (231) 937-7429

Service Area: Allegan, Ionia, Kent, Lake, Mason, Mecosta, Montcalm, Newaygo, Oceana, Osceola, and Wexford Counties.

### Lakeshore 504 (*previously West Michigan Lakeshore CDC*)

P (616) 392-2389

Service Area: Allegan, Berrien, Cass, Kalamazoo, Muskegon, Oceana, Ottawa, St. Joseph, and Van Buren Counties.

### Metropolitan Growth and Development Corp.

P (313) 224-0820

Service Area: Wayne and Macomb Counties.

### Michigan Certified Development Company

P (517) 886-6612

Service Area: State of Michigan.

### Oakland County Business Finance Corporation

P (248) 858-0879

Service Area: Oakland County.

### SEM Resource Capital

P (734) 464-4418

Service Area: Genesee, Livingston, Macomb, Monroe, Washtenaw, and Wayne Counties.

## 7(a) Loan Activity By Lender

LENDER	LOANS	AMOUNT	LENDER	LOANS	AMOUNT
1. National City	213	\$25,519,600	53. Central Savings Bank	2	\$120,000
2. Republic Bank	111	\$34,493,400	54. First National Bank of Iron Mountain	2	\$86,500
3. Bank One	68	\$11,196,100	55. North Country Bank and Trust	2	\$85,000
4. Comerica Bank	61	\$35,732,800	56. Independent Bank	1	\$825,000
5. Business Loan Center	56	\$53,005,333	57. State Savings Bank	1	\$650,000
6. Capitol Bancorp	48	\$13,439,000	58. Sky Bank	1	\$563,000
7. Fifth Third Bank	47	\$10,460,800	59. Greenfield BIDCO	1	\$550,000
8. Huntington National Bank	28	\$3,872,610	60. First Community Bank	1	\$450,000
9. CIT Small Business Lending Corp.	26	\$13,036,300	61. First Federal of Northern Michigan	1	\$400,000
10. Irwin Union Bank	22	\$11,646,000	62. United Bank & Trust	1	\$350,000
11. Citizens Bank	21	\$5,658,850	63. University Bank	1	\$345,000
12. Standard Federal Bank	19	\$10,201,000	64. First National Bank in Howell	1	\$250,000
13. KeyBank	17	\$8,074,900	65. Century Bank and Trust	1	\$150,000
14. Unizan Bank, N.A.	16	\$10,711,900	66. Farmer City State Bank	1	\$150,000
15. Macatawa Bank	16	\$2,975,818	67. Seaway Community Bank	1	\$150,000
16. GE Capital Small Business Fin. Corp.	13	\$2,833,400	68. TCF National Bank	1	\$150,000
17. Capital One	12	\$700,000	69. West Shore Bank	1	\$145,000
18. United Bank of Michigan	11	\$3,424,600	70. Business Lenders	1	\$115,000
19. Wells Fargo Bank	10	\$706,200	71. Metrobank	1	\$82,000
20. Old Mission Bank	8	\$2,963,000	72. Hillsdale County National Bank	1	\$75,000
21. Charter One Bank	8	\$2,630,500	73. First National Bank in Crystal Falls	1	\$72,800
22. Central State Bank	8	\$2,091,500	74. Warren Bank	1	\$60,000
23. Small Business Loan Source	7	\$5,191,700	75. Founders Trust Personal Bank	1	\$50,000
24. Monroe Bank & Trust	7	\$1,711,000	76. Peoples State Bank	1	\$25,000
25. U.S. Bank National Association	7	\$1,664,500			
26. Huron Community Bank	6	\$880,300	<b>TOTAL</b>	<b>975</b>	<b>\$308,128,660</b>
27. Southern Michigan Bank & Trust	5	\$1,973,000			
28. Chemical Bank and Trust	5	\$475,134			
29. Franklin Bank	4	\$3,075,000			
30. First Union Small Business Capital	4	\$2,270,200			
31. Community Central Bank	4	\$1,901,000			
32. Temecula Valley Bank, N.A.	4	\$1,860,000			
33. Mercantile Bank of West Michigan	4	\$1,655,000			
34. The Peninsula Bank	4	\$580,000			
35. Community Shores Bank	4	\$525,865			
36. National Cooperative Bank	4	\$450,000			
37. Northern Michigan Bank	4	\$436,000			
38. Midwest Guaranty Bank	3	\$1,398,000			
39. Shorebank	3	\$829,000			
40. The State Bank	3	\$487,500			
41. Ionia County National Bank of Ionia	3	\$306,500			
42. Firstbank - Lakeview	3	\$279,000			
43. Citizens First Savings Bank	3	\$155,500			
44. First International Bank	2	\$2,533,300			
45. Tri-County Bank	2	\$2,500,000			
46. The Provident Bank	2	\$2,350,000			
47. Superior National Bank and Trust	2	\$1,012,000			
48. First National Bank of Negaunee	2	\$565,000			
49. Northpointe Bank	2	\$387,000			
50. 1 <sup>st</sup> Source Bank	2	\$250,000			
51. Northwestern Savings Bank & Trust	2	\$200,000			
52. Kalamazoo County State Bank	2	\$154,250			

## 504 Loan Activity by CDC

CDC	LOANS	AMOUNT
1. Michigan Certified Development Corp.	25	\$11,152,000
2. Economic Development Foundation-Certified	18	\$7,990,000
3. Oakland County Business Finance Corp.	15	\$7,622,000
4. Metropolitan Growth and Development Corp.	13	\$5,815,000
5. Growth Finance Corp.	12	\$4,038,000
6. Lakeshore 504	7	\$2,979,000
7. SEM Resource Capital	6	\$3,401,000
<b>TOTAL</b>	<b>96</b>	<b>\$42,997,000</b>

# Loan Activity By City

The Michigan District Office guaranteed 7(a) and 504 loans to businesses in 314 Michigan cities. Cities with two or more loans are listed here.

CITY	LOANS	AMOUNT	CITY	LOANS	AMOUNT	CITY	LOANS	AMOUNT
1. Detroit	54	\$24,382,000	61. Eastpointe	4	\$2,275,000	121. Anchorville	2	\$750,000
2. Grand Rapids	52	\$16,157,700	62. Fremont	4	\$1,539,000	122. Baldwin	2	\$288,000
3. Traverse City	28	\$8,605,700	63. Haslett	4	\$1,161,000	123. Caledonia	2	\$1,483,330
4. Lansing	26	\$8,319,400	64. Holt	4	\$1,332,000	124. Cedar Springs	2	\$123,000
5. Livonia	21	\$6,863,100	65. Jenison	4	\$2,000,000	125. Chesterfield	2	\$2,693,000
6. Muskegon	18	\$5,369,470	66. Marysville	4	\$1,675,200	126. Clawson	2	\$105,000
7. Holland	15	\$2,993,400	67. Mattawan	4	\$392,500	127. Clinton River	2	\$1,020,000
8. Jackson	15	\$6,040,730	68. Morley	4	\$468,500	128. Comstock Park	2	\$500,000
9. Troy	15	\$2,657,100	69. Mount Clemens	4	\$1,663,000	129. Concord	2	\$564,000
10. Warren	15	\$6,420,400	70. Plymouth	4	\$380,000	130. E. Grand Rapids	2	\$303,000
11. Kalamazoo	14	\$3,162,100	71. Port Huron	4	\$1,827,000	131. Eaton Rapids	2	\$442,400
12. Grand Haven	13	\$1,847,800	72. River Rouge	4	\$2,792,000	132. Edwardsburg	2	\$226,700
13. Portage	13	\$3,499,450	73. Rockford	4	\$1,340,000	133. Elk Rapids	2	\$382,000
14. Battle Creek	12	\$5,257,900	74. Roscommon	4	\$1,248,300	134. Elsie	2	\$439,000
15. Okemos	12	\$2,966,000	75. Spring Lake	4	\$2,379,000	135. Emmet	2	\$2,500,000
16. Saginaw	12	\$3,232,450	76. Westland	4	\$3,098,000	136. Fair Haven	2	\$310,000
17. Flint	11	\$3,378,500	77. Allegan	3	\$1,423,000	137. Fraser	2	\$615,000
18. Kentwood	11	\$4,315,500	78. Allen Park	3	\$400,500	138. Grand Ledge	2	\$100,000
19. Marquette	11	\$2,025,000	79. Auburn Hills	3	\$1,880,600	139. Grosse Pointe	2	\$1,025,200
20. Rochester	11	\$2,410,600	80. Benton Harbor	3	\$1,931,000	140. Grosse Pte Farms	2	\$790,000
21. Dearborn	10	\$3,659,500	81. Berkley	3	\$316,000	141. Harper Woods	2	\$458,000
22. Farmington	10	\$2,575,200	82. Birch Run	3	\$2,454,200	142. Hazel Park	2	\$838,000
23. Farmington Hills	10	\$4,439,500	83. Bloomfield Hills	3	\$854,500	143. Howard City	2	\$492,500
24. Grandville	9	\$3,549,600	84. Clinton Township	3	\$405,000	144. Imlay City	2	\$126,200
25. Sault Ste. Marie	9	\$1,973,500	85. Coldwater	3	\$888,000	145. Ionia	2	\$238,400
26. Waterford	9	\$5,070,500	86. College Park	3	\$1,849,600	146. Keego Harbor	2	\$690,000
27. Ann Arbor	8	\$3,031,000	87. Dundee	3	\$1,270,000	147. Kimball	2	\$313,000
28. Bay City	8	\$1,476,000	88. Essexville	3	\$990,000	148. Kinross	2	\$193,000
29. Fenton	8	\$2,137,500	89. Flushing	3	\$800,100	149. Lewiston	2	\$1,186,000
30. Southfield	8	\$3,752,400	90. Frankfort	3	\$380,000	150. Macomb	2	\$187,000
31. Houghton	7	\$2,806,000	91. Highland	3	\$450,000	151. Manistique	2	\$700,000
32. Rochester Hills	7	\$3,911,000	92. Hudsonville	3	\$500,000	152. Marshall	2	\$405,000
33. Sterling Heights	7	\$770,000	93. Kingsford	3	\$258,500	153. Mason	2	\$560,000
34. Belleville	6	\$3,621,500	94. Lake Orion	3	\$402,500	154. Mesick	2	\$766,200
35. Birmingham	6	\$2,783,000	95. Lowell	3	\$535,600	155. Mount Pleasant	2	\$109,000
36. Boyne City	6	\$949,900	96. Mackinaw City	3	\$1,800,000	156. Onaway	2	\$628,000
37. Novi	6	\$1,004,500	97. Madison Heights	3	\$272,000	157. Ortonville	2	\$225,000
38. Romeo	6	\$455,900	98. Maywood	3	\$395,000	158. Oscoda	2	\$205,400
39. Saint Clair Shores	6	\$1,544,500	99. Milan	3	\$1,667,800	159. Pinckney	2	\$150,000
40. Taylor	6	\$1,929,500	100. Milford	3	\$1,449,000	160. Pontiac	2	\$100,000
41. Brighton	5	\$2,741,000	101. Monroe	3	\$269,000	161. Pottsville	2	\$1,100,000
42. Ferndale	5	\$1,233,000	102. Mount Morris	3	\$473,100	162. Quincy	2	\$209,500
43. Greenville	5	\$3,390,000	103. Negaunee	3	\$341,300	163. Richmond	2	\$113,000
44. Howell	5	\$1,146,000	104. New Baltimore	3	\$105,000	164. Romulus	2	\$1,411,400
45. Kalkaska	5	\$2,515,000	105. Newaygo	3	\$615,000	165. Saint Clair	2	\$175,000
46. Lincoln Park	5	\$2,228,400	106. Norton Shores	3	\$659,000	166. Saint Joseph	2	\$130,900
47. Ludington	5	\$1,632,500	107. Oak Park	3	\$3,722,000	167. Shelby	2	\$1,071,100
48. Midland	5	\$370,000	108. Oxford	3	\$345,000	168. Shelby Township	2	\$356,000
49. Roseville	5	\$2,294,000	109. Plainwell	3	\$1,752,000	169. Sturgis	2	\$1,616,000
50. Royal Oak	5	\$1,072,000	110. Saugatuck	3	\$280,200	170. Swartz Creek	2	\$2,600,000
51. Schoolcraft	5	\$2,058,000	111. South Lyon	3	\$1,290,000	171. Temperance	2	\$168,000
52. White Lake	5	\$906,000	112. Stevensville	3	\$976,430	172. Washington	2	\$214,000
53. Williamston	5	\$461,000	113. Tawas City	3	\$410,000	173. Wayland	2	\$386,000
54. Ada	4	\$746,200	114. Trenton	3	\$924,000	174. Wayne	2	\$1,555,000
55. Allendale	4	\$1,741,480	115. Walled Lake	3	\$1,172,400	175. West Branch	2	\$279,000
56. Beulah	4	\$1,071,300	116. West Bloomfield	3	\$2,137,800	176. Whitmore Lake	2	\$1,648,000
57. Burton	4	\$1,528,000	117. Whitehall	3	\$1,470,000	177. Wixom	2	\$1,076,000
58. Canton	4	\$1,402,600	118. Wyoming	3	\$382,000	178. Woodhaven	2	\$1,206,200
59. Commerce	4	\$1,717,000	119. Ypsilanti	3	\$827,000			
60. East Lansing	4	\$1,506,200	120. Adrian	2	\$320,000			
						<b>TOTAL</b>	<b>1,071</b>	<b>\$351,125,660</b>

# Loan Activity By County

COUNTY	LOANS	AMOUNT	COUNTY	LOANS	AMOUNT
1. Oakland	142	\$47,633,200	48. Crawford	2	\$221,300
2. Wayne	136	\$55,829,800	49. Delta	2	\$1,326,000
3. Kent	91	\$26,535,433	50. Emmet	2	\$600,000
4. Macomb	71	\$22,256,800	51. Iron	2	\$1,060,800
5. Ingham	52	\$14,843,600	52. Isabella	2	\$109,000
6. Ottawa	40	\$10,302,685	53. Lake	2	\$288,000
7. Genesee	34	\$12,336,400	54. Mason	2	\$557,500
8. Kalamazoo	33	\$8,563,550	55. Montmorency	2	\$1,186,000
9. Grand Traverse	27	\$7,906,700	56. Oceana	2	\$207,100
10. Muskegon	22	\$5,879,475	57. Saint Joseph	2	\$1,616,000
11. Saint Clair	22	\$9,514,900	58. Schoolcraft	2	\$700,000
12. Jackson	18	\$6,887,733	59. Tuscola	2	\$435,000
13. Saginaw	16	\$6,002,650	60. Alcona	1	\$400,000
14. Livingston	15	\$6,355,500	61. Clare	1	\$270,000
15. Marquette	15	\$2,488,300	62. Gladwin	1	\$58,400
16. Calhoun	14	\$5,662,900	63. Gratiot	1	\$515,000
17. Chippewa	14	\$3,439,100	64. Hillsdale	1	\$100,000
18. Allegan	12	\$5,048,800	65. Leelanau	1	\$79,400
19. Monroe	12	\$2,640,000	66. Mackinac	1	\$30,000
20. Washtenaw	12	\$3,955,800	67. Menominee	1	\$30,000
21. Eaton	11	\$3,323,400	68. Ogemaw	1	\$35,000
22. Bay	10	\$2,235,000	69. Oscoda	1	\$140,000
23. Berrien	10	\$1,984,734	70. Presque Isle	1	\$168,000
24. Benzie	8	\$1,671,300			
25. Houghton	8	\$2,602,500	<b>TOTAL</b>	<b>1,071</b>	<b>\$351,125,660</b>
26. Van Buren	7	\$1,269,000			
27. Charlevoix	6	\$949,900			
28. Kalkaska	6	\$2,684,000			
29. Branch	5	\$1,097,500			
30. Clinton	5	\$510,000			
31. Dickinson	5	\$397,500			
32. Iosco	5	\$615,400			
33. Mecosta	5	\$968,500			
34. Midland	5	\$370,000			
35. Montcalm	5	\$3,278,000			
36. Newaygo	5	\$1,644,000			
37. Ionia	4	\$343,400			
38. Lenawee	4	\$655,000			
39. Roscommon	4	\$1,248,300			
40. Shiawassee	4	\$1,560,100			
41. Wexford	4	\$1,096,200			
42. Arenac	3	\$605,300			
43. Barry	3	\$478,900			
44. Cheboygan	3	\$1,575,000			
45. Lapeer	3	\$141,200			
46. Antrim	2	\$382,000			
47. Cass	2	\$226,700			



# Michigan District Office Services

## GENERAL INFORMATION

**SBA's Michigan Small Business Sourcebook:** provides specific information on all of SBA's programs and services, including every location for all of our resource partners. It is available by calling (313) 226-6075 or emailing: [michigan@sba.gov](mailto:michigan@sba.gov).

**Video:** The District Office has produced a 15-minute video entitled "Today's SBA: America's Small Business Resource." This video is available for "rent;" please call (313) 226-6075 x221 for details.

## TRAINING

**Lender Training:** SBA offers training for lenders on SBA programs and services at various locations across the state. Call (313) 226-6075 x221 for information. Specialized training is also available on the Export Working Capital Program and International Trade Loan Program. Please call (313) 226-3670 for information.

**Small Business Loan Workshop:** This loan information seminar is held quarterly in Detroit and periodically in other cities across the state. Topics include elements of a winning loan proposal, lending from a banker's perspective, and SBA's loan programs. Call (313) 226-6075 x221 for more information.

**8(a) and SDB Orientation:** The 8(a)/SDB orientations are held the 1st Wednesday of each month at the McNamara Federal Building in Detroit. Individuals are provided with an overview of the program and an application packet. Please call (313) 226-6075 x253 for more information.

**Online Classroom:** Through public-private partnerships, SBA offers a variety of online courses through its Web site <http://www.sba.gov/classroom>. Topics include business plans, financing issues, government contracting, and e-commerce.

## SPEAKERS

SBA staff are available to speak to your organization on a variety of topics relating to small business. Call (313) 226-6075 x221 for information.

## NEWSLETTERS

**Small Business Beat:** This newsletter informs all small business service providers of up-to-date information on SBA, including events, seminars, resources, and program updates.

**Bank Notes:** This newsletter keeps lenders apprised of upcoming events and new policies and regulations regarding SBA's loan programs.

**8(a) Newsletter:** This publication informs 8(a) contractors of news, program policies and regulations regarding SBA's 8(a) program.

## EXHIBITS

SBA is available to exhibit at trade shows, business expos, or any other function. Please call (313) 226-6075 x221 for more information.

## INTERNET

**SBA Web Page:** The SBA has an excellent Web site which includes detailed information on our programs and services, links to other small business resources, and a small business classroom. SBA's home page is <http://www.sba.gov>.

**U.S. Business Advisor:** This home page is the One-Stop Electronic link to government for business owners. It provides links for all information and services the federal government offers to help businesses grow and prosper. The U.S. Business Advisor may be accessed at <http://www.business.gov>.

**Online Women's Business Center:** An excellent site for all entrepreneurs with practical advice, tips and general information on a variety of topics including, marketing, management, finance, and technology. Visit it at <http://www.onlinewbc.gov>.

**Michigan Small Business Development Centers:** small business owners will want to bookmark this resource which offers a readiness assessment, business tools, calendar of events, on-line counseling and more at <http://www.mi-sbdc.org>.

**SCORE:** The National SCORE organization provides information and email counseling at <http://www.score.org>. The Michigan chapters host a Web page at <http://www.scoremichigan.org>.

**BusinessLaw.gov:** A new resource provided by SBA which offers state specific links to information on how to incorporate, pay taxes, hire and fire employees, and other legal questions. Visit it at <http://www.businesslaw.gov>.

# Michigan District Office Staff

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Loan Officer, Ted Davis	ext 245
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Loan Officer, Bea Slack	ext 243

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Loan Officer, Tony Misko	ext 246
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Veterans Affairs, Ted Davis	ext 245
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Women's Business Ownership, Catherine Gase	ext 223
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# How Many Jobs Did Small Businesses Create in Michigan?



Michigan businesses with less than 100 employees in March, 1998 had an increase of 35,290 in their employment by March, 1999. Businesses with 100 or more employees in March, 1998 had an employment increase of 41,141 one year later. This is the only time in the decade of the 1990s that businesses with less than 100 employees did not create more jobs than those with 100 or more employees in one year.

## Job Creation By Firm Size 1998-1999

Number of Employees in 1998	Jobs these Firms Created by 1999
1-4 employees	27,256
5-9 employees	4,643
10-19 employees	(225)
20-99 employees	3,616
less than 100 employees	35,290
100-499 employees	(1,401)
500+ employees	42,542
<b>Total net new jobs</b>	<b>76,431</b>

*Source: SBA Office of Advocacy*

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For additional copies of this report, please call (313) 226-6075 x225.  
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